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SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: PRESIDENT BUSH'S IN
BRAZIL; SAO PAULO

11. "Ethanol And Diplomacy"

The lead editorial in liberal, largest national circulation daily Folha de S. Paulo maintained (3/5): "Agriculture and trade will be the prevailing issues during President George W. Bush's visit this week in Brazil. Biofuel will be the preferential topic of Presidents Lula and Bush talks because it will allow them to show an apparent concern with the global warming question. Also in the agenda will be trade disputes that disturb this ethanol-propelled diplomacy.... Bush and Lula are expected to announce memoranda of intentions and perhaps some concrete step towards research on ethanol produced from cellulose, which is even more promising.... Uniting research efforts paves the way so that the two nations maintain their dominance in the sector. Moreover, measures aimed at standardizing ethanol to make it a true international commodity may also be agreed upon. More than production, it is in both Brazil and the U.S.'s interest to lead the sale of technology and investment in order to produce ethanol in other nations in Central America and Africa. Such future common interests, however, collide with present differences. Brazilian ethanol is more competitive than that produced in the U.S..... Even paying a 14 cent import tariff per liter, Brazilian ethanol producers exported in 2006 1.8 billion liters to the U.S., where additional 13 cents are subsidized per every ethanol liter produced from corn. Bush prefers that protectionist measures not be discussed during his meetings with Lula. Not only because they contradict his free trade discourse, but also because they result from a U.S. Congressional decision that will be effective until 2009."

12. "The Lame Duck's Visit"

Liberal, largest national circulation daily Folha de S. Paulo's Washington correspondent Sergio Davila opined (3/5): "Identifying his next international destination is not an easy task for the staff of a lame duck president.... Despite the fact that he will remain almost two years in the White House, negative popularity levels, two failed wars in the resume, and the lack of political support to influence the 2008 presidential elections have made Bush a premature lame duck president. This is the leader who will arrive in Sao Paulo this Thursday to launch the Lula-Bush bilateral biofuel memorandum. Then, he will depart to establish the carefully chosen 'positive agenda' in a Latin America that he ignored. This is why Argentina and obviously the 'little evil axis' formed by Venezuela, Bolivia and Ecuador have been excluded from the trip. In Brazil, the 'ethanol diplomacy' will be the highlight. But, pay attention: even in this topic less optimism and more skepticism should be adopted. Bush will offer what he does not have while Lula will ask for what

Bush cannot give."

13. "Bush and Lula or Lula and Bush"

Liberal, largest national circulation daily Folha de

S. Paulo's political columnist Eliane Cantanhede commented (3/4):

"Bush will visit Brazil on Thursday, and Lula will visit Washington on March 31. While Hugo Chavez involves Argentine Nestor Kirchner, Bolivian Evo Morales and Ecuadorian Rafael Correa with oil, Lula and Bush embrace biofuel. Brazil and the U.S. will discuss the standardization of their ethanol to transform the product into a commodity.... Chavez talks with his partners from an upper opposition provided by his oil. Lula will try to talk with Bush on an equal basis on Brazilian ethanol and total flex fuel cars technology, by proposing a partnership that goes beyond the two nations' borders and extends throughout the continent and Africa. It may seem megalomania, but it is not. It is a feasible plan from an economic and commercial point of view, in addition to making complete geopolitical sense. For Brazil, because it is a way for it to perform a leadership role. For the U.S., because it is a way of escaping the oil trap, since both the Arabs and Venezuela, its main suppliers, do not seem trustworthy."

McMullen